

VERMONT STATE TEACHERS' RETIREMENT SYSTEM

Meeting of the Board of Trustees – Conference Call

September 11, 2014 – 3:30 p.m.

Members present:

JON HARRIS, Chairperson (Active No. 25669), term expiring July 1, 2015 - via telephone
JOSEPH MACKEY, Vice-Chairperson, VRTA representative, term expiring July 1, 2016 - via telephone
JUSTIN NORRIS, Active Member Representative, term expiring July 1, 2017 - via telephone
LINDA DELIDUKA, VRTA Alternate representative, term expiring July 1, 2016
VAUGHN ALTEMUS, representing Secretary of Agency of Education
ELIZABETH PEARCE, VT State Treasurer

Members absent:

THOMAS CANDON, representing Commissioner of Department of Financial Regulation
Active Member Alternate Representative – vacant

Also attending:

Laurie Lanphear, Director of Retirement Operations
Joshua McCormick, assistant to Kathie Kretzer

The Chairperson, Jon Harris, called the Thursday, September 11th, 2014, meeting to order at 3:35 p.m., which was held in the Treasurer's Conference Room, fourth floor, 109 State Street, Montpelier, VT.

ITEM 1: Approve the Minutes of:

- **August 12, 2014**

On motion by Mr. Altemus, seconded by Mr. Mackey, the Board voted unanimously by roll call to approve the minutes of August 12, 2014, as submitted.

ITEM 2: VPIC Report for Attendance for Fiscal Year 2014

The VPIC report was presented to the board. Ms. Pearce stated that VSTRS is very well represented in VPIC in both quality and quantity.

ITEM 3: GASB 67/68 RFP Update

Ms. Pearce stated that David Driscoll expects to complete the GASB 67 accounting pension liability, minus the asset piece by the end of September. She then explained that 2013 census data is being rolled over to 2014 and adjusted for any benefit changes. This is a general practice used across the country due to census data audit time frame. If we were to use 2014 data, the project would fall behind. Ms. Pearce stated that she expects that our financials will be completed on time by 9/15/14 and will be able to send after a few days of review by finance and management.

Based on the previously stated work plan, the financial statement process for GASB 67 should be completed by early October.

Ms. Pearce then addressed the RFP issued for the audit. The 2013 data will need to be audited due to recently issued requirements from the AICPA. Ms. Pearce stated that 6 firms have submitted proposals for the GASB 67 census data audit. Ms. Pearce is recommending the Sullivan, Powers in connection with Melanson Heath firm, as they have significant coverage and experience with municipalities, as well as familiarity with public pension plans. Ms. Pearce also recommends the board pre-qualify Gallagher Flynn as well as Graham and Graham in the event additional resources are needed.

On motion by Ms. Pearce, seconded by Mr. Mackey, the Board voted unanimously by roll call to adopt the recommendation from Ms. Pearce to enter into contract with Sullivan Power's & Company, LLP in connection with Melanson, Heath & Company, PC, as well as pre-qualifying Gallagher Flynn and Company, LLP and Graham and Graham, PC.

ITEM 4: Retirement Counselor Checklist

The Retirement Counselor Checklist was presented. It was well received by all the members of the board. Ms. Lanphear stated she was working on a checklist for Disability Retirement and will present that to the board when available.

ITEM 5: Any other business to come before the Board

Ms. Pearce stated that Mr. McCormick will be sending out messages to all three boards to set a date and time for a meeting with the actuaries for the week of October 27th.

Mr. Mackey stated he would like to have a historical financial progress report presented to the board. The treasurer's office and the board will plan to have this ready for the next In-House meeting.

Mr. Mackey stated that he, along with Linda Deliduka would like to attend the NCTR conference in Indianapolis, IN from October 12th-15th. He stated the expenses per person should not exceed \$3,000 each.

On motion by Mr. Mackey, seconded by Mr. Altemus, the Board voted unanimously by roll call to allow Joe Mackey and Linda Deliduka to attend the NCTR conference.

ITEM 6: Adjournment

On motion by Mr. Altemus, seconded by Ms. Pearce, the Board unanimously voted by roll call to adjourn at 3:55 p.m.

Next Meeting Date:

The next scheduled VSTRS meeting is a conference call meeting on Thursday, October 9th, 2014 at 3:30 p.m., if needed.

Respectfully submitted,

Kathie Kretzer
Executive Secretary to the Board